

ABSTRACT

5 The present invention provides a promotion pricing system and a related model  
for producing a value evaluation and recommendation for promotion on a targeted  
product so as to analyze, evaluate, improve, and design promotions to meet a user's  
need. The promotion pricing system generates promotion price evaluations and  
recommendations for each product promotion related to a target product of a user along  
with associated competing products from the user and competitors. The user can be an  
individual, an organization, a corporation, an association or any entity providing,  
including activities related to making, selling, resale, offering for sale, distributing and  
10 other commercial conducts, products or service or both in the stream of commerce

15 In the preferred embodiment, the promotion pricing system of the presenting  
invention is comprised of modularization of the necessary analytical steps along with  
specifications for these modules. These modules cooperate to implement statistical  
market response estimation that provide statistically stable, fact-based information on  
customer response to a promotions. The modules further allow data capture to leverages  
enterprise and supply chain data sources. The modules include a product segmentation  
module, an incentive translation module, a customer segmentation module, a data  
aggregation module, a model selection module, a calibration module, an evaluation  
module, a constraints generation module, a cost structure module, an optimization  
20 module, a market channel performance module, and an alert module.